

Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
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O 081652Z MAY 77
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC NIACT IMMEDIATE 3385
INFO AMEMBASSY LONDON NIACT IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 02 OTTAWA 03585

EXDIS

DEPT FOR EUR/MR VINE, EB/MR KATZ, WHITE HOUSE FOR DR
SCHLESINGER, LONDON FOR MR HARTMAN

E.O. 11652: GDS
TAGS: ENRG, SENV, PFOR, CA
SUBJECT: BERGER REPORT ANALYZES US IMPLICATIONS

REF: OTTAWA 3566

1. SUMMARY: IN BRIEF ANALYSIS OF US IMPLICATIONS,
JUSTICE BERGER IN HIS REPORT CONCLUDES THAT: PIPELINE
CORRIDOR CONCEPT WILL HAVE CUMULATIVE IMPACT ON CANADA,
SINCE IT WILL BE A MULTI-STAGE PROJECT ULTIMATELY ALSO IN-
CLUDING AN OIL PIPELINE. CORRIDOR ACROSS NORTHERN YUKON
EXCLUSIVELY AMERICAN. U.S. WILL BE INTERESTED IN SEEING
THAT BOTH NORTHERN YUKON AND MACKENZIE VALLEY CORRIDOR
REMAIN SAFE AND SECURE, SINCE ENERGY-SHORT AMERICAN
MIDWEST IS DESTINATION. US CANNOT BE EXPECTED TO BE AS
CONCERNED AS CANADA WITH SERIOUSNESS OF SOCIAL AND EN-
VIRONMENTAL IMPACT OF PIPELINE AND URGENCY IS GREATER.
THERE MAY BE REAL POSSIBILITIES FOR MISUNDERSTANDING AND
TENSION BETWEEN US AND CANADA AND THESE SHOULD NOT BE
OVERLOOKED. TREATY WILL NOT COVER ALL POSSIBILITIES.
HOWEVER, QUESTION WHETHER THERE SHOULD BE A CORRIDOR IS
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QUESTION WHICH CANADIANS SHOULD DECIDE FOR THEMSELVES.
BERGER ALSO DISCUSSES CREATION OF WILDERNESS PARK IN
YUKON. END SUMMARY.

2. HIGH GOC OFFICIAL TELEPHONED EMBASSY LATE SATURDAY
NIGHT TO SAY THAT IN FURTHER READING OF BERGER REPORT, HE
HAD REALIZED US SHOULD BE MADE AWARE OF ONE SECTION

WHICH DEALS WITH U.S. IMPLICATIONS IN MACKENZIE VALLEY PIPELINE DECISION. GOC OFFICIAL DELIVERED IT SUNDAY MORNING FOR TRANSMISSION TO DEPARTMENT WITH HOPE THAT IT WOULD HELP PROVIDE ADDITIONAL BACKGROUND AT TIME OF PRESS INQUIRIES.

3. PERTINENT SECTION OF BERGER REPORT IS ENTITLED "THE CORRIDOR CONCEPT". BERGER REFERS TO THE CUMULATIVE IMPACT OF THE CORRIDOR CONCEPT AS PROJECT IS DEVELOPED OVER THE YEARS, AS GAS PIPELINES CAN BE EXPECTED TO BE LOOPED, AS HIGHWAYS HAVE TO BE BUILT AND AS ULTIMATELY OIL PIPELINE MAY ALSO BE BUILT. NORTHERN YUKON CORRIDOR WOULD BE SIMILARLY DEVELOPED SINCE, IN BERGER'S VIEW, IT COULD BE ASSUMED THAT "ONCE A GAS PIPELINE IS BUILT ACROSS THE NORTHERN YUKON, THERE WILL BE EVERY REASON FOR AN OIL PIPELINE CARRYING AMERICAN OIL TO FOLLOW THE SAME ROUTE."

4. BERGER THEN ANALYZES US INTEREST IN CORRIDOR BY MAKING FOLLOWING POINTS:

A. MACKENZIE VALLEY CORRIDOR WILL BE US ENERGY CORRIDOR AS MUCH AS CANADIAN. NORTHERN YUKON CORRIDOR IS STRICTLY US.

B. US WILL HAVE INTEREST IN SCHEDULING CONSTRUCTION AND IN SEEING THAT IT REMAINS SAFE AND SECURE;

C. US WILL BE DEPENDENT UPON CONTINUOUS SUPPLY OF GAS. GAS FROM ALASKA WILL BE US, TO BE DELIVERED AS SOON
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POSSIBLE;

D. NO EXISTING PIPELINES ACROSS U.S. CARRYING CANADIAN ENERGY SUPPLIES CAN BE COMPARED IN MAGNITUDE OR IMPACT TO ARCTIC GAS PROPOSAL.

E. CONSEQUENCES OF SUCH AMERICAN INTEREST ARE SPECIAL CONCERN TO INQUIRY. IMPACT WILL BE LARGELY WITHIN CANADA AND AS A RESULT, US CANNOT BE EXPECTED TO BE AS CONCERNED WITH SERIOUSNESS OF SOCIAL AND ENVIRONMENTAL IMPACT. SINCE US NEED IS MORE URGENT, PRESSURE MIGHT RESULT TO COMPLETE PIPELINE WITHOUT DUE REGARD TO THE SOCIAL AND ENVIRONMENTAL CONCERNS IN CANADA. "THE RISK IS IN CANADA. THE URGENCY IS IN THE UNITED STATES."

F. INTERRUPTIONS MIGHT OCCUR AND AS A RESULT "THERE MAY BE REAL POSSIBILITIES FOR MISUNDERSTANDING AND TENSION BETWEEN OUR TWO COUNTRIES, NOTWITHSTANDING OUR LONG HISTORY OF GOOD RELATIONS. THESE CONSIDERATIONS DESERVE

THE ATTENTION OF...THE U.S. AS WELL AS...CANADA."

G. A TREATY BETWEEN CANADA AND U.S. WILL NOT COVER ALL POSSIBILITIES. A TREATY MAY REGULATE CONDUCT OF OUR TWO GOVERNMENTS, "... (IT) WILL NOT NECESSARILY REGULATE THE CONDUCT OF THE CITIZENS."

H. IMPLICATIONS FOR OUR RELATIONS WITH U.S. DESERVE CAREFUL CONSIDERATION BY ALL CANADIANS. QUESTION WHETHER

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C O N F I D E N T I A L SECTION 02 OF 02 OTTAWA 03585

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THERE WOULD BE A CORRIDOR TO CARRY ALASKA ENERGY SUPPLIES THROUGH HEARTLAND OF CANADA TO LOWER 48 IS THE BASIC DECISION TO BE MADE. "THESE ARE QUESTIONS CANADIANS MUST DECIDE FOR THEMSELVES."

5. IN SEPARATE SECTION WHICH GOC OFFICIAL ALSO MADE AVAILABLE, BERGER DISCUSSES CREATION OF NATIONAL WILDERNESS PARK FOR NORTHERN YUKON. TO PROTECT THIS AREA BERGER URGES CANADA TO CREATE SUCH A PARK COMPRISING "ALL LAND BETWEEN ALASKA-YUKON AND THE YUKON-NORTHWEST TERRITORIES BORDER, FROM THE PORCUPINE RIVER NORTHWARD TO THE COAST, INCLUDING HERSCHEL ISLAND AND ALL OTHER ISLANDS ADJOINING THE COAST." IT WOULD ADJOIN ARCTIC NATIONAL WILDLIFE RANGE IN ALASKA. BERGER ASSUMES U.S. WOULD COOPERATE IN FURTHER MEASURES TO PROTECT PORCUPINE CARIBOU HERDS. HE ALSO CONCLUDES THAT NORTHERN YUKON IS NOT AN AREA WHICH IS VERY PROMISING FROM OIL AND GAS PERSPECTIVE.

6. BECAUSE OF HIS RECOMMENDATIONS FOR A WILDERNESS PARK, BERGER TURNS HIS ATTENTION TO ALCAN PROPOSAL. HE REPORTS THAT "AT WHITEHORSE, HE HEARD EVIDENCE FROM ARCTIC GAS

AND FROM OTHER PARTICIPANTS IN THE INQUIRY, COMPARING
THIS ROUTE WITH THE COASTAL AND INTERIOR ROUTES. ON THE
BASIS OF THAT EVIDENCE, MANY OF THE CONCERNS THAT LEAD
ME TO REJECT THE PIPELINE ROUTES ACROSS THE NORTHERN
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YUKON, DO NOT APPEAR TO APPLY TO THE ALASKA HIGHWAY
ROUTE." HE MENTIONS THAT THERE ARE NO MAJOR WILDLIFE
SPECIES THREATENED IN THAT AREA AND THAT HIGHWAY ALREADY
EXISTS. HE POINTS OUT THAT HE HAS NOT EXAMINED SOCIAL
AND ECONOMIC IMPACT OF THE ALCAN PIPELINE NOR CONSIDERED
QUESTIONS OF NATIVE CLAIMS. THESE "MUST BE ASSESSED
CAREFULLY BEFORE ANY RECOMMENDATION IS MADE..." FOR AN
ALCAN ROUTE. "CERTAINLY I AM IN NO POSITION TO MAKE SUCH
A RECOMMENDATION." ENDERS

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